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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

April 27, 2007

Darrell G. Boepple
Black Gold Organic Fertilizer, Inc.
3802 47th Street
Lubbock, Texas 79413

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Black Gold Organic Fertilizer, Rhea-Rae Mine, Task 1782, S0190064, Grand County, Utah

Dear Mr. Boepple:

The Division of Oil, Gas and Mining has reviewed the reference Notice of Intention to Commence Small Mining Operations (NOI) and has the following comments that need to be addressed before the NOI can be found complete:

1. Please include the entity number from the Division of Corporations. It appears this number is 6545503-0143.
2. The notice says about 480 acre-feet of material would be extracted or moved. Based on a mine site area of about 1.4 acres, the excavation would be about 340 feet deep. Please revise the NOI or show how this type of excavation would be done.
3. Please include the tailings storage location as part of the NOI, or, if this location is more than two miles away from the proposed mine site, you may submit a separate NOI. The cost of transporting tailings back to the mine site will need to be included in the reclamation surety.
4. What will be the nature of the tailings once they have been processed with sodium hydroxide and sodium chloride? Please provide chemical analyses of the processed material from bench-scale or similar tests. The Division and the Division of Water Quality will need this information to assess whether there is a potential for affecting ground water.
5. Some portions of the flow diagram are illegible. Please provide a clearer copy.



6. The NOI indicates water will be used and recycled in the operation. Will this be a closed system in containers, or will there be ponds?
7. Please show on the operations map the locations of facilities, including topsoil and overburden piles and processing equipment.
8. Please include a list of equipment that will be used and indicate whether this equipment is portable or if foundations will be built.

The Division sent a copy of the NOI to the Division of Water Quality who gave the following response by electronic mail:

They need to contact us if they will have any leach pads, process water ponds, tailings disposal or other activities that could affect ground or surface water quality. Their activities cannot cause discharge of more than 1 ton/day of dissolved salts into surface water in the Colorado River basin.

Since there will be tailings disposal and potentially other activities in this list, the Division of Water Quality needs to be contacted.

The Division will await your reply before calculating a reclamation surety.

If you have questions about this letter, please contact me at 801-538-5258 or Paul Baker at 801-538-5261.

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:pb

cc: John Blake, SITLA

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